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November 20, 1995

BY HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW - Room 222
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: **Comments of Advanced Communications Corporation**
IB Docket No. 95-168
PP Docket No. 93-253

Dear Mr. Caton:

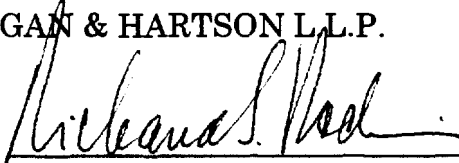
Enclosed for filing are an original and nine copies of the Comments of Advanced Communications Corporation, which are being submitted in response to the Notice of Proposed Rulemaking issued in the above-referenced Revision of Rules and Policies for the Direct Broadcast Satellite Service.

If there are any questions regarding these Comments, please communicate with the undersigned counsel.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

By:


Richard S. Rodin
Robert Corn-Revere
Michelle M. Shanahan

Attorneys for Advanced
Communications Corporation

Enclosures

**Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Revision of Rules and Policies for the
Direct Broadcast Satellite Service

Notice of Proposed Rulemaking

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IB Docket No. 95-168
PP Docket No. 93-253

To: The Commission

COMMENTS OF ADVANCED COMMUNICATIONS CORPORATION

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November 20, 1995

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SUMMARY

Advanced Communications Corporation ("ACC") submits these comments in response to the Notice of Proposed Rulemaking to point out that the auction proposal exceeds the Commission's authority under the Omnibus Budget Reconciliation Act of 1993 (the "Act") and fails to serve the public interest. Indeed, the Commission's proposal appears to sacrifice the public interest for the Commission's interest in a quick influx of money into the Federal treasury, although Congress expressly prohibited the Commission from ordering auctions for the sole purpose of raising money.

First, DBS is not necessarily a subscription service, as the Act requires for the Commission to hold an auction. However, the Commission's auction proposal is a self-fulfilling prophecy. By placing a price tag of at least \$175 million on a DBS permit, the Commission will force DBS permittees to offer all-subscription services in order to recover their enormous auction investments. Plans to use DBS for free educational services and other non-profit purposes necessarily will be scrapped and the public interest will suffer.

Second, the auction proposal will delay -- not expedite -- the provision of DBS service to the public. If the Commission had permitted ACC to proceed with its plans, the public would have had access to a new DBS service shortly after the launch of the first satellite in Spring of 1996. Given the likelihood of judicial delay before the proposed auction even takes place and the fact that the auction winner will not be required to complete its first satellite until four years after the auction

date, service is likely to be delayed for many years under the Commission's proposal, in direct conflict with the Act and the public interest.

Third, the proposal gives short shrift to the interests of small businesses, despite the congressional and public interest objective of facilitating the provision of new technologies by small businesses. By setting such a high price for the DBS spectrum, and by refusing to make any accommodations for small businesses, the Commission's proposals effectively prevent small businesses from participating in the industry.

If the Commission decides to auction or otherwise reassign ACC's former channel assignments despite these statutory and public interest concerns, it should ensure that ACC is reimbursed for its expenses in pursuing its application, maintaining its permit, and advancing the DBS industry and technology. Permitting ACC to recoup its expenses is the most equitable means of compensating a permittee which has made substantial contributions to the industry, other than reinstatement of its construction permit. It will not affect the congressional goal of recovering a portion of the value of the public spectrum resource for the public. ACC's expenses are minimal in proportion to the expected bids and will not affect the amount yielded by the auctions for the government. Moreover, permitting ACC to recover documented expenses will not encourage hoarding of spectrum. Thus, ACC should be reimbursed for its expenses if its former channel assignments are reassigned.

**Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Revision of Rules and Policies for the)	IB Docket No. 95-168
Direct Broadcast Satellite Service)	PP Docket No. 93-253
)	
Notice of Proposed Rulemaking)	

To: The Commission

COMMENTS OF ADVANCED COMMUNICATIONS CORPORATION

The Commission's October 18 decision to deny Advanced Communications Corporation's ("ACC's") request for an extension of time to construct its DBS system and to auction the confiscated spectrum is erroneous and already is the subject of numerous appeals. 1/ Nevertheless, ACC, by its attorneys, respectfully submits these comments in response to the Notice of Proposed Rulemaking ("NPRM") to highlight public interest concerns created by the auction proposal, and to point out matters of equity raised by the Commission's decision.

1/ See *Advanced Communications Corporation v. FCC*, Docket No. 95-1551 (D.C. Cir.); *Tempo DBS, Inc. v. FCC*, Docket No. 95-1560 (D.C. Cir.); *Primestar Partners L.P. v. FCC*, Docket No. 95-1561 (D.C. Cir.).

I. The Auction Procedures Proposed By The Commission Exceed The Commission's Statutory Authority And Shortchange The Public Interest

The rapid-fire auction procedures set forth in the NPRM (at ¶¶ 72-106) exceed the Commission's auction authority under the Omnibus Budget Reconciliation Act of 1993 (the "Act"). 2/ The Act authorizes the Commission to establish auctions only in certain circumstances. Auctions may be used solely to decide among mutually-exclusive applications for initial licenses or construction permits 3/ where the selected licensee is likely to receive compensation from subscribers, 4/ and where the auction procedures promote the following objectives:

- (A) the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays;
- (B) promoting economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women;
- (C) recovery for the public of a portion of the value of the public spectrum resource made available for commercial use and avoidance of unjust enrichment through the methods employed to award uses of that resource; and
- (D) efficient and intensive use of the electromagnetic spectrum. 5/

2/ Pub. L. No. 103-66, 107 Stat. 386 (1993).

3/ 47 U.S.C. § 309(j)(1).

4/ 47 U.S.C. § 309(j)(2).

5/ 47 U.S.C. § 309(j)(3).

The auction proposed by the Commission for reassignment of the channels taken from ACC in the Commission's October 18 decision, 6/ does not meet these statutory criteria. DBS is not by definition a subscription service. However, by placing a price tag of \$175 million or more on a DBS permit as an added cost of doing business, 7/ the Commission will force DBS permittees to offer all-subscription service in order to recover their auction investments. As explained herein, in seeking to meet the statutory prerequisite for holding a DBS auction, the Commission has opted to sacrifice other public interest values, such as the ability to use high-powered DBS frequencies for free educational services.

Moreover, the proposal does not aid in the development and rapid deployment of new technologies, products or services, but impedes such development by cutting off plans to launch a satellite that would offer competitive DBS service in the Spring of 1996. It disserves potential subscribers to video services who reside in rural areas by handicapping the planned Headend in the Sky ("HITS") service, 8/ and embarks on a new proceeding that is guaranteed to add

6/ *Advanced Communications Corporation, Memorandum Opinion and Order*, FCC 95-428 (October 18, 1995) ("*Commission Order*"), *aff'g Advanced Communications Corporation*, DA 95-944 (Int'l Bureau, April 27, 1995) ("*Bureau Order*").

7/ See NPRM at ¶ 86 n.147 (noting that MCI Telecommunications Corporation ("MCI") stated it would open the bidding for ACC's channel assignments at \$175 million).

8/ See Cable Telecommunications Association's Application for Review of *Bureau Order* (May 22, 1995) at 6-7.

administrative and judicial delays. 9/ The end result of this proceeding will not be DBS service, but the authorization of a new permittee who must start from scratch in order to begin providing service at the turn of the century. This does not represent "efficient and intensive use of the electromagnetic spectrum." 10/

Nor does the Commission's tentative decision to hold an auction help disseminate licenses among a wide variety of applicants. The Commission has consciously decided that there is no room in the DBS service for "small businesses, rural telephone companies, and businesses owned by members of minority groups and women." 11/ Rather, the Commission tentatively concluded that it "will make no special provisions for designated entities for the DBS spectrum reclaimed from ACC." 12/

9/ The appeal of the *Commission Order* is becoming contentious even before a briefing schedule has been announced in *Advanced Communications Corp. v. FCC*, Docket No. 95-1551 (D.C. Cir.). One proposed Intervenor, DirecTV, Inc., has suggested to the court that appeals will follow not just from the Commission's October 18 decision to deny ACC's extension request, but from the anticipated decision to authorize auctions as well. See Response of DirecTV, Inc. to Joint Motion for Expedited Consideration in *Tempo DBS, Inc. v. FCC*, Docket No. 95-1560 (D.C. Cir.) at 16 n.9. DirecTV also has argued that every direct competitor of proposed DBS service has standing to intervene in this litigation. See DirecTV Motion for Leave to Intervene in *Advanced Communications Corp. v. FCC*, Docket No. 95-1551 (D.C. Cir.). And MCI has argued that parties that have publicly announced their intention to bid for DBS frequencies have standing. See MCI's Notice of Intention to Intervene in *Advanced Communications Corp. v. FCC*, Docket No. 95-1551 (D.C. Cir.) at 2. The delays engendered by the Commission's ill-considered decision may well become legendary.

10/ 47 U.S.C. § 309(j)(3).

11/ *Id.*

12/ NPRM at ¶ 106.

The only interest that the Commission's proposal appears to serve is the Commission's overpowering zeal to add funds to the Federal treasury. However, Congress expressly provided that the Commission may not auction spectrum for the sole purpose of raising money. Section 309(j)(7)(A) of the Act states that "the Commission may not base a finding of public interest, convenience, and necessity on the expectation of Federal revenues from the use of a system of competitive bidding under this subsection." ^{13/} This limitation on the Commission's auction authority is ignored by the Commission in both the *Commission Order* and the NPRM.

In addition to the serious question regarding the FCC's statutory authority, the auction proposed by the Commission fails to serve the public interest. ^{14/} This is true for many of the same reasons that the Commission fails the Section 309(j)(3) criteria: the proposed auction will delay the provision of DBS

^{13/} 47 U.S.C. § 309(j)(7)(A).

^{14/} A discrepancy in the channels that the Commission proposes to auction also raises questions about the NPRM. The Commission's proposal to auction ACC's 27 channel assignments at 110 degrees West and 24 channels at 148 degrees West leaves one channel at 110 degrees West unassigned (three other channels at 110 degrees West have been assigned to USSB and one other channel at 110 degrees West has been assigned to Directsat). Directsat recently requested another channel at 110 degrees West, see Letter of Directsat to FCC (June 14, 1995) (concurring with proposal of EchoStar in Letter of EchoStar to FCC (June 14, 1995)), but the Commission has not yet granted Directsat's request. The Commission's proposal to auction 27 channels instead of 28 channels at 110 degrees West suggests that the Commission may be reserving this channel assignment for Directsat, despite its intention otherwise to abandon the first-come, first-served policy of *Continental Satellite Corp.*, 4 FCC Rcd. 6292, 6299 (1989), *partial recon. denied*, 5 FCC Rcd. 7421 (1990).

service to the public, will foreclose the use of DBS for educational purposes, and ignores the interests of small businesses.

**A. The Proposed Auction Procedures Will Delay
The Provision Of DBS Service To The Public**

In its NPRM, the Commission tentatively concludes that auctions will serve the objectives of Section 309(j)(3) of the Act because they "are likely to foster the rapid deployment of new technologies and products by putting spectrum in the hands of those who value it most highly." ^{15/} However, the public would have had access to a new DBS service much sooner if the Commission had overturned the *Bureau Order* and reinstated ACC's construction permit. If the Commission had permitted ACC to proceed with its plans, a competing DBS service using ACC's channels would have been available shortly after the launch of the first satellite in Spring of 1996. ^{16/} Under the Commission's current proposal, the winner of the auction for ACC's channel assignments will not be required to complete its first satellite until four years after the auction date -- not until January 2000 *even if the Commission's optimistic auction schedule is realized.* ^{17/} Thus, service will be delayed four years as the result of a decision to establish these auctions.

^{15/} NPRM at ¶ 77.

^{16/} See ACC's Consolidated Opposition to Petitions to Deny, File No. DBS-94-15ACP (November 23, 1994) at 7.

^{17/} See NPRM at ¶ 27 (proposing to require DBS permittees to complete construction of the first satellite in the DBS system within four years from the date the authorization is granted).

Service is almost certain to be delayed even more than four years given the likelihood of judicial delays in this case. ACC and others have filed Notices of Appeal of the *Commission Order* with the U.S. Court of Appeals for the District of Columbia Circuit, which is likely to affect this proceeding. Furthermore, the Report and Order eventually released in this proceeding is likely to be challenged, thus interposing additional judicial delay. However, Congress authorized auctions to the extent the auctions expedite services to the public, *without administrative or judicial delays*. ^{18/} In sum, the Commission's decisions and proposals are likely to delay -- not expedite -- the provision of competing DBS service using ACC's former channel assignments, in contravention of both the public interest and the objectives of the Act.

B. The Proposed Auction Procedures Prevent DBS Permittees From Devoting Portions Of Their Systems To Educational Or Other Non-Profit Uses

The Commission also tentatively concludes that it is authorized to auction DBS permits because DBS will be primarily a subscription-based service. ^{19/} It bases this conclusion on the fact that two current DBS licensees have begun offering subscription-based service from their single joint satellite and that another two permittees, EchoStar Satellite Corporation ("EchoStar") and affiliated Directsat Corp. ("Directsat"), intend to offer subscription-based services from their

^{18/} 47 U.S.C. § 309(j)(3)(A).

^{19/} NPRM at ¶ 76.

joint satellite system. 20/ However, DBS is not by definition a subscription-based service and the preliminary uses of just two DBS satellite systems hardly provide an indication of how this service ultimately will be used. By proposing to adopt an auction, however, and by setting an opening bid at a level that will exclude all but the richest applicants, the Commission is simply engaging in self-fulfilling prophecy. No business could afford to offer non-subscription services when the entry price has been boosted by \$175 million or more.

Such an approach forecloses voluntary industry initiatives that have characterized DBS. ACC had long proposed devoting some DBS transponders to educational uses. 21/ ACC renewed this proposal during Commission consideration of the extension request, but the FCC did not consider it. 22/ This lack of response is perplexing, since the Commission otherwise has endorsed such voluntary efforts in the service of children. For instance, as part of a proposed "social contract" between Time Warner Cable and the Commission to resolve rate complaints, Time Warner Cable promised to provide free service connections to all of the public schools passed by its cable systems. 23/ Similarly, AT&T announced that it will

20/ See *id.*

21/ See ACC's Application for Additional Time to Construct and Launch Direct Broadcast Satellites, File Nos. DBS-84-01, DBS-85-05-MP, DBS-88-05-MP (February 16, 1990) at 17-18; ACC's Semi-Annual Status Report, October 5, 1990, at 2.

22/ See Letter of Richard L. Mays, Chairman of Foundation for Educational Advancement Today, to Chairman Reed E. Hundt (August 15, 1995).

23/ Draft Social Contract for Time Warner Cable, FCC 95-336 (released August 3, 1995) at 15-16, ¶ III(H)(1).

provide all public and private schools in the country with free access to the "AT&T Learning Network," including Internet service and related support. 24/ Chairman Hundt praised AT&T's efforts as a step that would "take all our children a long way down the information highway." 25/

Direct regulation of program content does not make up for this loss of public service commitments, as the NPRM seems to imply. The Commission notes that the Cable Consumer Protection and Competition Act of 1992 ordered the Commission to establish rules requiring DBS operators to reserve between four and seven percent of their channel capacity for noncommercial educational programming. 26/ But that section of the Cable Act was struck down as a violation of the First Amendment. 27/ Even if the Commission wins its appeal on this issue, such requirements do not replace the lost opportunity of having industry efforts that supplement regulatory mandates. The public interest in encouraging such efforts is not in dispute, but the proposed auction puts such initiatives out of reach.

24/ See Communications Daily, November 1, 1995, at 5.

25/ See Statement of Chairman Reed Hundt in Response to AT&T's Pledge of \$150 Million To Help Put Nation's Schools on the Information Superhighway, FCC News Release (October 31, 1995).

26/ NPRM at ¶ 32; 47 U.S.C. § 335.

27/ *Daniels Cablevision, Inc. v. United States*, 835 F. Supp. 1 (D.D.C. 1993), *appeals pending sub nom. Time Warner Entertainment Co. v. FCC*, No. 93-5349 and consolidated cases (D.C. Cir.).

C. The Commission Ignores Congress' Mandate To Offer Small Businesses The Opportunity To Participate In The DBS Industry

Despite the congressional and public interest objectives of providing small businesses with opportunities to participate in the provision of new technologies, 28/ the Commission gives short shrift to these interests in its NPRM. The Commission tentatively concludes that special measures designed to facilitate the participation of small businesses are not appropriate in this instance because of the high prices the DBS channels are expected to fetch. 29/ Once again, the Commission's conclusion is self-fulfilling. It is the Commission's proposals that will effectively prevent small businesses from participating in this industry. The lack of consideration given small businesses by the Commission reveals its willingness to ignore public interest and congressional objectives in order to raise large sums of money quickly.

II. Auction Procedures Should Permit Reimbursement Of ACC For Its Expenses

If the Commission decides to auction the orbital positions and channel assignments previously held by ACC, the Commission should ensure that ACC is reimbursed for the considerable expense of pursuing its applications, maintaining its permit, making payments to its satellite contractor, and advancing the DBS

28/ See 47 U.S.C. §§ 309(j)(3)(B), 309(j)(4)(D).

29/ See NPRM at ¶ 106.

industry and technology. 30/ ACC made enormous contributions to the DBS industry. If the Commission proceeds with the reassignment of ACC's channel assignments, requiring the auction winner to reimburse ACC for its expenses is the most equitable means of reassigning ACC's channels and will serve the public interest. If the U.S. Court of Appeals reverses the *Commission Order*, such reimbursement might well be unnecessary.

**A. ACC Invested Significant Funds in the Creation
of the DBS Industry and the Development of its System**

During its construction period, ACC invested considerable amounts of time and money in the development of its DBS system, the advancement of DBS technology, and the promotion of the industry. Even when critics were pronouncing DBS a failure, 31/ ACC vigorously promoted the industry and contributed to the development of DBS technology. ACC was the first permittee to propose the implementation of digital transmission technology for DBS systems. 32/ ACC also was the first permittee to advocate the use of DBS systems for interactive purposes. 33/

30/ For the same reasons, the Commission also should ensure that ACC is reimbursed for these expenses if the Commission reverses its tentative conclusions stated in the NPRM and decides to reassign ACC's former DBS channel resources in accordance with the procedures set forth in *Continental Satellite Corp.*, 4 FCC Rcd. at 6299.

31/ See *United States Satellite Broadcasting Co.*, 1 FCC Rcd. 977, 978 (1986).

32/ See ACC's Application for Review of *Bureau Order* (May 22, 1995) at Exhibit 1 (attaching G. Gordon Apple, Ph.D., Digital DBS Television Transmission, July 5, 1987).

33/ See ACC's Semi-Annual Status Report, October 6, 1993.

ACC's developments in interactive technology stemmed in part from its recognition of the educational value of DBS and its efforts to promote DBS as an educational tool. ACC helped establish and fund a non-profit organization to promote the use of DBS for educational and informational purposes and to develop courses and seminars for distribution by DBS systems. It also prepared requests on behalf of the non-profit organization for seed grants from the U.S. Department of Education and the State of Arkansas to develop these courses. 34/

Throughout its construction period, ACC and its principals participated in legislative and regulatory efforts to promote the development of DBS. For example, ACC's President testified before Congress and submitted comments to the Commission to ensure that DBS operators would have fair access to programming. Its principals also made presentations to numerous officials and trade groups and authored many papers to promote the DBS industry. 35/

While making these efforts to advance the industry, ACC designed and planned its own DBS system to keep pace with the many technological developments in the rapidly-changing industry, and worked with other DBS permittees toward an arrangement that would expedite the delivery of DBS service to the public. ACC executed a letter of intent in 1992 with EchoStar to form a joint venture. 36/ During talks which continued through August of 1994, ACC and

34/ See, e.g., ACC's Semi-Annual Status Reports, April 27, 1988, April 13, 1991.

35/ See ACC's Application for Review of *Bureau Order* (May 22, 1995) at 9.

36/ See ACC's Supplemental Semi-Annual Status Report, July 17, 1992.

EchoStar coordinated system designs and budgets. For example, ACC's Senior Vice President, Donald K. Dement, participated as an ACC representative in a March 1993 Preliminary Design Review of the EchoStar satellite. In September 1993, Mr. Dement, in his capacity as an ACC representative, attended EchoStar's Critical Design Review at the satellite contractor's plant as a member of the review team. Following the Critical Design Review, Mr. Dement provided detailed written opinions concerning technical and other issues. 37/

When joint venture discussions with EchoStar reached a standstill, ACC entered negotiations with TCI which culminated in contracts to acquire two satellites in which over \$246 million had already been invested, to assign its FCC authorizations to Tempo DBS, Inc., and/or to lease capacity on the two new satellites to Primestar Partners L.P. independent of any Commission action on the assignment application. Accordingly, ACC filed applications for Commission consent to the assignment of its authorizations to Tempo DBS, Inc. and to the modification of its permit to add the two satellites under construction. 38/ Based on the progress toward construction of the new satellites, ACC predicted that the first satellite would be launched by Spring of 1996. 39/

37/ See ACC's Application for Review of *Bureau Order* (May 22, 1995) at 10 n.23.

38/ FCC File Nos. DBS-94-15ACP/DBS-94-16MP.

39/ See ACC's Consolidated Opposition to Petitions to Deny, File No. DBS-94-15ACP (November 23, 1994) at 7.

Although the Commission decided to cancel ACC's construction permit, it took note of ACC's substantial efforts to promote the industry and improve DBS technology. The Commission stated that these "promotional efforts may be laudable . . .," and emphasized that "[w]e do not disparage these [developmental] efforts." 40/ In a concurring statement, Commissioner Rachelle B. Chong also recognized that "Advanced did make some effort to promote the DBS concept and participate in legislative, regulatory and publicity efforts to promote DBS development." 41/ Moreover, Commissioners Andrew C. Barrett and James H. Quello thought ACC's contributions were significant enough to warrant an extension of its construction permit. 42/

B. Reimbursing ACC's Expenses Will Serve the Public Interest

Allowing ACC to recover its expenses is equitable and will serve the public interest. It would be exceedingly unfair to allow a permittee to devote ten years of its existence and all of its resources to the creation of a fledgling industry and the development of a workable technology, only to strip that permittee of its permit without any reimbursement and to allow the Commission and an industry newcomer to reap the benefits of that work. Moreover, it would discourage future pioneers of new communications technologies. A plan to reimburse ACC for its

40/ *Commission Order* at ¶¶ 31, 34.

41/ *Id.* (Separate Statement of Commissioner Rachelle B. Chong at 2).

42/ *Id.* (Dissenting Statements of Commissioner Andrew C. Barrett and Commissioner James H. Quello).

expenses would begin to compensate it for its contributions to the success of the DBS industry.

Permitting ACC to recoup its expenses would be fully consistent with the congressional goal of recovering a portion of the value of the public spectrum resource for the public. 43/ The Commission expects to raise enormous sums of money from the auction of ACC's former channel assignments. Indeed, MCI has advised the Commission that it would open the bidding for these channel assignments at \$175 million. 44/ To condition the reallocation upon an additional payment to ACC for its expenses would be minimal in proportion to the amount that the auction winner will pay to the Commission. Moreover, the "public spectrum resource" would not be valued nearly as high without ACC's prior work developing DBS.

Reimbursing former DBS permittees also would not contradict the Commission's policy against "warehousing" of DBS spectrum. 45/ An equitable ruling that an applicant should not be left destitute does not create a profit motive for anyone to hoard spectrum. It simply would be an indication that considerations of fairness also fit within the Commission's public interest calculus.

43/ See 47 U.S.C. § 309(j)(3)(C).

44/ See NPRM at ¶ 86 n.147.

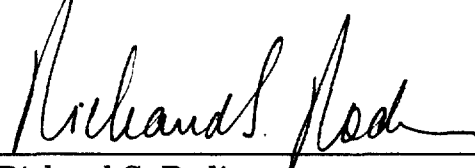
45/ The Commission's policy against warehousing is "designed to prevent an entity from acquiring, or retaining, orbital spectrum on the basis of speculative demand at the expense of other potential users." *Commission Order* at ¶ 62 n.122 (quoting *GTE Corp. and Southern Pacific Co.*, 94 F.C.C.2d 235, 261).

III. Conclusion

The Commission's proposal to auction off ACC's channel assignments sacrifices the public interest for a quick addition to the federal coffers in violation of the Commission's statutory authority. The proposed auction will delay, not expedite, the provision of DBS service to the public. It will discourage DBS providers from using DBS for educational purposes and it will not provide small businesses with an opportunity to participate in the provision of DBS service. Any method for reassignment of DBS channels should take these public interest factors into account. It also should ensure that ACC is reimbursed for its expenses in pursuing its application, maintaining its permit, making payments to its satellite contractor, and advancing the DBS industry and technology.

Respectfully submitted,

ADVANCED COMMUNICATIONS
CORPORATION

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